

**FIRST AMENDMENT TO THE LIVING TRUST AGREEMENT**  
**OF**  
**BRUCE J. LAGASA AND NANCY L. LAGASA**

Dated: November 14, 2008

Prepared by:

Bruce R. Busch, Attorney at Law  
Ditlevson Rodgers Dixon, P.S.  
324 West Bay Drive NW, Suite 201  
Olympia, Washington 98502  
360-352-8311

**FIRST AMENDMENT TO  
THE LIVING TRUST AGREEMENT OF  
BRUCE J. LAGASA AND NANCY L. LAGASA**

First Amendment made at Olympia, Washington on November 14, 2008 between BRUCE J. LAGASA and NANCY L. LAGASA ("Trustors") and BRUCE J. LAGASA and NANCY L. LAGASA (Trustee), who resides at 7935 Kelly Beach Road Southeast, Olympia, Washington ("Trustee").

BRUCE J. LAGASA and NANCY L. LAGASA are designated as Trustee in that certain Revocable Trust Agreement dated April 4, 2006 (the "Trust Agreement"). Trustors, having reserved the right to amend the Trust Agreement pursuant to ARTICLE 12 of the Trust Agreement, desire to do so in the manner set forth below.

The Living Trust Agreement of Bruce J. LaGasa and Nancy L. LaGasa shall be amended in its entirety to read as follows:

**"THE LIVING TRUST AGREEMENT OF  
BRUCE J. LAGASA AND NANCY L. LAGASA**

THE TRUSTORS, BRUCE J. LAGASA and NANCY L. LAGASA (hereinafter referred to as "Trustors"), hereby transfer to the Trustees, BRUCE J. LAGASA and NANCY L. LAGASA (hereinafter referred to as "Trustee"), in Trust, the property described in Schedule A attached hereto.

**ARTICLE 1. PURPOSE**

1.1 It is our intent and purpose in creating this Living Trust that upon the death of the first Trustor to die, all assets included in Schedule A attached hereto shall remain in trust for the benefit of the surviving Trustor and upon the death of the surviving Trustor, this Trust Agreement shall terminate and any remaining assets listed in Schedule A shall pass to the contingent beneficiaries as directed herein, in equal shares.

1.2 For convenience, this Trust Agreement shall be known as the "LAGASA LIVING TRUST", dated April 4, 2006.

1.3 For purposes of beneficiary designations and transfers directly to this Trust, this trust

ORIGINAL

shall be referred to as:

BRUCE J. LAGASA and NANCY L. LAGASA, Trustees, or their successor(s) in trust, under the "LAGASA LIVING TRUST", dated April 4, 2006, and any amendments thereto.

## **ARTICLE 2. THE TRUST ESTATE**

- 2.1 This Agreement shall cover all property described in Schedule A; and
- 2.2 Any other property hereafter devised, bequeathed or transferred to the Trustee for the purpose of the trusts herein created;
- 2.3 All assets listed on Schedule A are the community property of the Trustors, each Trustor having an undivided fifty percent (50%) interest therein.

## **ARTICLE 3. IDENTIFICATION OF BENEFICIARIES**

3.1 The beneficiaries of this trust are the Trustors, BRUCE J. LAGASA and NANCY L. LAGASA. Contingent beneficiaries of this trust are the children/stepchildren of Trustors: IAN JACK LAGASA and BRIANNE LYNN BURGESS.

3.2 For purposes of this Agreement, no person shall be deemed to survive another person if the former person dies within thirty (30) days after the date of the latter person's death.

## **ARTICLE 4. BENEFITS FOR TRUSTORS WHILE BOTH ARE LIVING**

While both Trustors are living, the Trustee shall make such payments of income or principal from the trust estate as the Trustors, or either of them, from time to time may direct the Trustee in writing. If either Trustor is incapacitated, the Trustee, in Trustee's sole discretion and without liability, may discontinue, in whole or in part, such payments heretofore directed to said incapacitated Trustor. The Trustee, in Trustee's sole discretion, may at any time use and pay so much of other income and principal of the trust estate as the Trustee deems necessary for the health, maintenance, support and comfort of Trustors, or either of them, for payment of any legal obligations of Trustors, and for the preservation of their property.

## **ARTICLE 5. DISTRIBUTION ON DEATH OF A TRUSTOR**

Upon the death of the first Trustor (the "Deceased Trustor"), the Trustor shall allocate and dispose of the remaining assets of the trust, including any and all assets added to the trust upon a Deceased Trustor's death (pursuant to his or her Last Will or otherwise), as follows:

5.1 **Surviving Trustor's Trust.** On the death of the first Trustor, the interest of the other Trustor if he or she is then living (the "Surviving Trustor") in the former community property assets of this trust and in the Surviving Trustor's separate and community property assets of this trust shall continue to be administered hereunder as the sole and separate property of the Surviving Trustor as set forth in Article 6 below. Such trust shall be known as the "Surviving Trustor's Trust." On the death of the Surviving Trustor all property contained in the Surviving Trustor's Trust shall be distributed in

accordance with the provisions of Article 7 below.

5.2 **Personal and Household Effects.** If the Deceased Trustor is survived by the other Trustor, all items of personal or household use or ornament shall become the separate property of the Surviving Trustor and shall be distributed to him or her; provided, however, that if the Surviving Trustor so elects in writing, the same shall be held, administered, and distributed pursuant to the terms and conditions hereof as the sole and separate property of the Surviving Trustor.

5.3 **Residuary Disposition.** If the Deceased Trustor is survived by the other Trustor, the balance of the Deceased Trustor's interest in his trust shall be added to and treated as a part of the Surviving Trustor's Trust.

## **ARTICLE 6. SURVIVOR'S TRUST**

The Survivor's Trust shall be administered and distributed as follows:

6.1 The Trustee shall pay to the surviving Trustor, during his or her lifetime, the net income from the trust in convenient installments, but in any event not less frequently than quarterly. In addition, Trustee shall pay to the surviving Trustor so much of the principal of the trust as the surviving Trustor, from time to time, may direct the Trustee in writing. The Trustee, in Trustee's sole discretion, may at any time use and pay so much of the principal of the Survivor's Trust as the Trustee deems necessary for the health, support, maintenance, comfort and recreation of the surviving Trustor.

6.2 Upon the death of the surviving Trustor, the Survivor's Trust shall terminate and the Trustee shall add and consolidate the remaining principal of the Survivor's Trust and it shall be administered and distributed under Article 7 of this Agreement.

## **ARTICLE 7. DISTRIBUTION UPON DEATH OF SURVIVING TRUSTOR**

7.1 Upon the death of the surviving Trustor (or if neither Trustor survives the other), the Trust shall terminate and the Trustee shall distribute the remaining trust property as follows:

- 7.1.1 The then acting Trustee of this Trust (currently ERIC HERBERT LAGASA) upon the death of the surviving Trustor shall received Twenty Thousand Dollars (\$20,000.00). In addition, if ERIC HERBERT LAGASA is serving as Trustee of this Trust but WILLIAM GERALD CASE is surviving as Trustee of the trust identified in 7.4 herein, WILLIAM GERALD CASE shall receive Ten Thousand Dollars (\$10,000.00).
- 7.1.2 IAN JACK LAGASA shall receive 75% of the remainder of the trust estate subject to the terms of subparagraph 7.3 of this Article 7; provided, however, that in the event IAN JACK LAGASA predeceases the surviving Trustor, his share shall be distributed to BRIANNE LYNN BURGESS pursuant to the terms of subparagraph 7.1.3 of this Article 7.
- 7.1.3 BRIANNE LYNN BURGESS shall receive 25% of the remainder of the trust estate subject to the terms of subparagraph 7.4 of this Article 7; provided, however, that in the event BRIANNE LYNN BURGESS predeceases the surviving Trustor, her share shall be distributed to IAN JACK LAGASA pursuant to the terms of subparagraph 7.1.2 of this Article 7.

7.2 If all of the contingent beneficiaries hereunder should die prior to the date of death of the surviving Trustor, then the remaining trust property shall be distributed one-half (1/2) to the heirs at law of each Trustor, such to be determined in accordance with the statutes of descent and distribution of the State of Washington as though both Trustors had died intestate on the date of the death of the last survivor among the beneficiaries.

7.3 If IAN JACK LAGASA is under the age of thirty (30) years upon the death of the surviving Trustor the Trustee shall hold and distribute that beneficiary's share of the Trust estate as follows:

- (A) Until IAN JACK LAGASA attains the age of twenty-five (25) years, the Trustee shall pay to or apply for his benefit as much the net income and principal of his share of the trust estate, up to the whole thereof, as the Trustee, in its absolute discretion, deems necessary for his proper care, maintenance, support and education. Any net income not distributed shall be accumulated and added to principal.
- (B) At the time that IAN JACK LAGASA attains the age of twenty-five (25) years, or in the event IAN JACK LAGASA is twenty-five (25) years of age on the date of death of the surviving Trustor, the Trustee shall distribute and deliver to him one-half (1/2) of his share of the trust estate. The remainder of that beneficiary's share of the trust estate shall remain in trust to be distributed as set forth below.
- (C) Until IAN JACK LAGASA attains the age of thirty (30) years, the Trustee shall pay to or apply for the benefit of IAN JACK LAGASA as much of his remaining share of the net income and principal of the trust estate, up to the whole thereof, as the Trustee, in its absolute discretion, deems necessary for his proper care, maintenance, support and education. Any net income not distributed shall be accumulated and added to principal.
- (D) At the time that IAN JACK LAGASA attains thirty (30) years age, the Trustee shall distribute and deliver to him his remaining share of the principal of the trust estate and that beneficiary's interest in the trust estate shall terminate.
- (E) If IAN JACK LAGASA dies before attaining the age of thirty (30) years, his share of the trust shall terminate and the Trustee shall distribute the remaining trust property to BRIANNE LYNN BURGESS, subject to the provisions of this Article 7; provided, however, that if another trust is then being held for any such beneficiary or descendant under this paragraph, his or her share shall be added to such trust and shall be administered and distributed as if an original part thereof.

7.4 If BRIANNE LYNN BURGESS is under the age of thirty (30) years upon the death of the surviving Trustor the Trustee shall hold and distribute that beneficiary's share of the Trust

estate as follows:

- (A) Until BRIANNE LYNN BURGESS attains the age of twenty-five (25) years, the Trustee shall pay to or apply for the benefit of BRIANNE LYNN BURGESS as much of her share of the net income and principal of the trust estate, up to the whole thereof, as the Trustee, in its absolute discretion, deems necessary for their proper care, maintenance, support and education. Any net income not distributed shall be accumulated and added to principal.
- (B) At the time that BRIANNE LYNN BURGESS attains twenty-five (25) years age, or in the event IAN JACK LAGASA is twenty-five (25) years of age on the date of death of the surviving Trustor, the Trustee shall distribute and deliver to BRIANNE LYNN BURGESS one-half ( $\frac{1}{2}$ ) of that her share of the trust estate. The remainder of her share of the trust estate shall remain in trust to be distributed as set forth below.
- (C) Until BRIANNE LYNN BURGESS attains the age of thirty (30) years, the Trustee shall pay to or apply for the benefit of BRIANNE LYNN BURGESS as much of her remaining one-half ( $\frac{1}{2}$ ) share of the net income and principal of the trust estate, up to the whole thereof, as the Trustee, in its absolute discretion, deems necessary for her proper care, maintenance, support and education. Any net income not distributed shall be accumulated and added to principal.
- (D) At the time that BRIANNE LYNN BURGESS attains thirty (30) years age, the Trustee shall distribute and deliver to BRIANNE LYNN BURGESS her remaining one-half ( $\frac{1}{2}$ ) share of the principal of the trust estate and her interest in the trust estate shall terminate.
- (E) If BRIANNE LYNN BURGESS dies before attaining the age of thirty (30) years, her trust shall terminate the Trustee shall distribute the remaining trust property to IAN JACK LAGASA, subject in any event to the provisions of this Article 7; provided, however, that if another trust is then being held for any such issue or descendant under this paragraph, his or her share shall be added to such trust and shall be administered and distributed as if an original part thereof.

7.5 Notwithstanding anything in this Agreement seemingly to the contrary, each trust established hereunder which has not terminated at some earlier date, shall, in any event, terminate one day earlier than 21 years after the death of the survivor of all those among the individual beneficiaries who are living on the date that trust becomes irrevocable, and the Trustee shall thereupon distribute all remaining assets of each Trust to the beneficiary or beneficiaries as though the time for final distribution had then occurred.

7.6 If any of the beneficiaries hereunder should be incapacitated or incompetent, the Trustee shall not make or shall discontinue, in whole or in part, the distributions directed under subparagraphs 7.1-7.5 above. Incapacity or incompetence as those terms are used herein shall be established either by a court of competent jurisdiction, or receipt by the Trustee of an affidavit

establishing the incapacity or incompetence of the beneficiary, which shall include the inability to effectively manage his or her property and affairs for reasons, including, but not limited to, mental illness, mental deficiency, physical illness or disability, advanced age, chronic use of drugs, chronic intoxication, confinement, detention or disappearance. Such written affidavit shall be made by the then regularly attending physician, or by other persons with knowledge of any confinement, detention or disappearance.

In the event that the Trustee is required under this subparagraph 7.6 to withhold or discontinue the distributions set forth in subparagraphs 7.1-7.5 hereof, the Trustee shall distribute to the incapacitated or incompetent beneficiary or for his or her benefit, so much of the income and principal of the incapacitated or incompetent beneficiary's trust as the Trustee, in Trustee's sole discretion, considers necessary or advisable for his or her health, education, support and maintenance, to the incapacitated or incompetent beneficiary until such time as the incapacity or incompetence no longer effects the beneficiary or until the death of the incapacitated beneficiary, at which time the balance of his or her trust shall be delivered to his or her personal representative for distribution in accordance with his or her Will or the relevant laws of intestate succession.

#### **ARTICLE 8. TRUST ADMINISTRATIVE PROVISIONS**

The administration of the trust or trusts established under this Agreement shall be governed by the following provisions:

8.1 The Trustee shall have all powers, rights, duties, and obligations provided by law, including but not limited to the powers granted by the Washington Trust Act of 1984, Chapter 11.98 of the Revised Code of Washington, and any amendment thereto, save as may be modified by limitations or grants of power elsewhere set forth in this Agreement.

8.2 The Trustee shall have the power, with respect to the property of the trust estate, or any part hereof, and upon such terms and in such manner as it may deem advisable, to sell, convey, exchange, convert, improve, repair, manage and control; to lease for terms within or beyond the term of this trust and for any purpose, including exploration for and removal of gas, oil and other minerals; to borrow money for any trust purpose, and to encumber or hypothecate by mortgage, deed of trust, pledge or otherwise; to carry insurance of such kinds and in such amounts as the Trustee may deem advisable, at the expense of the trust; to compromise or otherwise adjust any claims against or in favor of the trust; to commence or defend such litigation with respect to the trust or any property of the trust as it may deem advisable, at the expense of the trust; to invest and reinvest the trust funds in any investment permitted by the Prudent Person Rule as set forth in Chapter 11.100 of the Revised Code of Washington; and with respect to securities or other charges, to participate in foreclosures, reorganizations, consolidations, mergers and liquidations, and incident thereto to deposit securities with and transfer title to any protective or other committee upon such terms as the Trustee may deem advisable, and to exercise or sell stock subscription or conversion rights.

8.3 The Trustee shall not be required to comply with the Uniform Trustees Accounting Act of the State of Washington, or any amendment thereof, save that annual statements of account shall be rendered to each beneficiary then currently receiving payments hereunder who has attained the age of eighteen (18) years.

8.4 Neither the income nor the principal of the trust, in whole or in part, shall be subject to

the claims of creditors of the respective beneficiaries, or others, or to legal process nor be voluntarily or involuntarily assigned, alienated, or encumbered.

8.5 The Trustee shall receive reasonable compensation for Trustee's services; may employ such agents, servants, and attorneys as may be necessary in administering the trust estate; and shall be entitled to rely on advice so given.

8.6 The Trustee is encouraged to retain accountants for the keeping of books for the trust, preparation of tax returns, and related services and shall be entitled to rely with complete acquittance upon the advice from such accountants with respect to such matters.

8.7 The Trustee shall not be personally liable for any mistakes in judgment or errors of fact or law occurring during the administration of the trust, in the absence of fraud or bad faith.

8.8 The Trustee shall maintain and administer the trust estate undivided and as a unit and not make physical division or segregation thereof except if, when, and to the extent required to make division or distribution thereof as in this trust provided; shall merge or combine any trust hereunder with a trust or trusts otherwise established for substantially the same class of beneficiaries; and shall thereafter jointly administer and distribute such combined trust estate.

8.9 In the event more than one Trustee is then serving, one Trustee designated in writing by all Trustees shall have full authority to write checks from each Trust Estate bank account and to exercise all rights, including voting and transfer rights, with respect to shares of stock held in trust. This authority provided for the convenience of the Trustees shall relieve third parties but not the Trustees from liability for actions taken pursuant to it.

#### **ARTICLE 9. SUCCESSOR TRUSTEES**

The Trustee shall have the right to resign at any time. If either Trustor for any reason fails or ceases to act as Co-Trustee, the other shall act as sole Trustee. In the event the Trustee, jointly, or the survivor of them, should be unable or unwilling or should cease to serve as Trustee hereunder, ERIC HERBERT LAGASA, of Tenino, Washington shall be appointed as Trustee in their place. In the event ERIC HERBERT LAGASA should be unable or unwilling or should cease to serve as Trustee hereunder, WILLIAM GERALD CASE, of Bellingham, Washington shall be appointed as Trustee in his place. In the event WILLIAM GERALD CASE should be unable or unwilling or should cease to serve as Trustee hereunder, the Trustee or any beneficiary of the trust may secure the appointment of a successor trustee by a court of competent jurisdiction, at the expense of the trust.. Provided, however, that ERIC HERBERT LAGASA shall be appointed as the Trustee of any trust or sub-trust created under Article 7.3 herein and WILLIAM GERALD CASE shall be appointed as the Trustee of any trust or sub-trust created under Article 7.4 herein. With respect to the trusts created under Articles 7.3 and 7.4, RICHARD WAYNE CASE shall be appointed as the Trustee in the event the primary Trustee is unable or unwilling or should cease to serve as Trustee.

#### **ARTICLE 10. PAYMENT OF DEATH TAXES AND OTHER EXPENSES AFTER DEATH OF TRUSTOR**

10.1 Upon the death of a Trustor, the Trustee shall pay from the trust estate such part of all of the debts, claims and expenses properly chargeable to such Trustor or to such Trustor's probate



estate, and such part of all of the federal and state estate and inheritance taxes, together with interest and penalties, if any, payable by reason of such Trustor's death in respect of property included in the computation of such taxes whether passing under this Agreement such Trustor's Will or otherwise as the Executor under such Will may direct in writing.

10.2 The Trustee shall make all tax elections in connection with payment of taxes under the preceding Section and in connection with payment of income taxes of the trusts created under this Agreement as the Executor under such Trustor's Will may direct in writing. All payments and tax elections under this Article shall be conclusive and binding upon all persons interested in the trusts created by this Agreement, and all payments under this Article shall be made without adjustment among such persons and shall not be charged against or collected from any such person. The Trustee is specifically prohibited from making any equitable adjustment between such persons, between distributions required under this Agreement or between accounts hereunder because of such payments or tax elections.

10.3 The Trustee is authorized to purchase from, or exchange with, the Executor under such Trustor's Will securities and other property, real or personal, of such Trustor's probate estate; and to make loans or advancements, secured or unsecured, to such Executor, even though such Executor may also be the Trustee.

#### **ARTICLE 11. CHOICE OF LAW**

The situs of the trust created by this Agreement shall be the State of Washington, and this Agreement shall be construed and regulated by, and all questions pertaining to the validity, construction and administration of the trust shall be determined in accordance with the laws of the State of Washington.

#### **ARTICLE 12. REVOCATION**

12.1 The Trustors have been fully advised as to the difference between revocable and irrevocable trusts.

12.2 While both Trustors are living, this Agreement shall be revocable, and subject to amendment and modification by the Trustors, by a writing delivered to the Trustee.

12.3 Thirty (30) days after the death of the surviving Trustor, this Agreement and the Survivor's Trust shall become irrevocable.

IN WITNESS WHEREOF, we have signed this Agreement this 14<sup>th</sup> day of November, 2008.

**TRUSTORS:**

Bruce J. Lagasa  
BRUCE J. LAGASA

Nancy L. Lagasa  
NANCY L. LAGASA

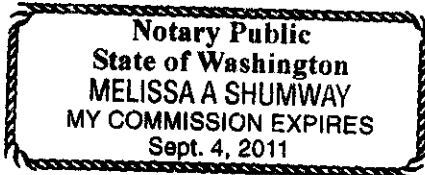
**TRUSTEES:**

Bruce J. Lagasa  
BRUCE J. LAGASA

Nancy L. Lagasa  
NANCY L. LAGASA

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF THURSTON )

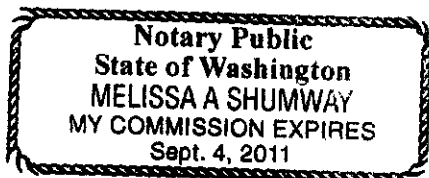
I certify that I know or have satisfactory evidence that BRUCE J. LAGASA and NANCY L. LAGASA, known to me to be the Trustors described herein, are the persons who appeared before me, and said persons acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act, for the uses and purposes mentioned in the instrument.



NOTARY PUBLIC in and for the State of  
Washington, residing at Bellevue  
My commission expires: 9/7/11

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF THURSTON )

I certify that I know or have satisfactory evidence that BRUCE J. LAGASA and NANCY L. LAGASA, known to me to be the Trustees described herein, are the persons who appeared before me, and said persons acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act, for the uses and purposes mentioned in the instrument.



NOTARY PUBLIC in and for the State of  
Washington, residing at Terrano  
My commission expires: 9/2/11

**SCHEDULE "A"**

1. Real property and improvements located at:  
7935 Kelly Beach Road SE  
Olympia, WA 98513  
Described as follows:  
Parcel 1 of Short Plat SS-1509, as recorded October 7, 1980 under Auditor's  
File No. 1115692 in Volume 14 of Short Plats, Page 661

Thurston County Tax Parcel No. 11702310101

2. Real property and improvements located  
6210 Kingsview Dr:  
Walls, MS 38680  
Described as follows:  
Lot 13, Section "A", King's View Lakes Subdivision, located in Section 31,  
Township 1 South, Range 8 West, DeSoto County, Mississippi, as recorded  
in Plat Book 67, Pages 8-9 in the office of the Chancery Clerk of DeSoto  
County, Mississippi.

DeSoto County Tax Parcel No. 1-08-9-31-01-0-00013-00

**APPROXIMATE VALUE  
AS OF November, 2008**

**ASSETS/BANK ACCOUNTS**

1. Wells Fargo Bank  
1-800-869-3557
  - a) Savings Account No. xxx-xxx240852 \$ 6,200
  - b) Checking Account No. xxx-xxx0769
2. Navy Federal CU  
1-800-842-6328
  - a) Savings Account No. xxxxxx5003 \$1,350
  - b) Checking Account No. xxxxxx5706
  - c) MM Account No. xxxxxx5805 \$40,000
  - d) Savings Account No. xxxxxx5300 \$1,225
  - e) Mortgages xxxxxx9219 \$168,000
  - f) Mortgages xxxxxx2195 \$ 78,900
  - g) Mississippi Mortgage ending 9567

5. Ameriprise
  - a) SPS Advan xxxxxxxxxxxxx2021 \$71,000
6. Adnan Haq  
425-869-7100
  - a) SPS Advan w/one xxxxxxxx5021 \$47,000
8. Fed Ex Stock Computershare  
1-800-326-6150 \$24,000
9. Fed Ex  
Vanguard Pilot Money Purchase Plan xx2482 \$63,600  
1-800-523-1188 Pilot Retirement Svgs Plan xx3015 \$140,500
10. Fed Ex Credit Union  
Savings Account #ending in 322001  
Money Market account number ending 5805  
2 CD's

**LIFE INSURANCE**

## Nancy's Policy

Ameriprise	xxxxxxxxxxxxx1004	\$250,000
Adnan Haq		
425-869-7100		

## Bruce's Policy

Monumental Life	xxxxxx5723	\$174,000
1-800-477-9038		

## Fed Ex Insurance

1-800-525-4478 and 1-800-795-6353		„
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Airline Pilot's Association	Number 1073188	\$10,000
888-372-7339		

Harvey Watt Insurance  
800-241-6103U.S. Navy Survivor Benefits  
800-269-5170

Wells Fargo	ending 0413	\$1000.00
800-265-4396		